

**HOUSING & COMMUNITY DEVELOPMENT COMMITTEE**  
**5<sup>th</sup> Floor Conference Room, City Hall**  
**November 20, 2006**  
**3:00 p.m.**

**Committee Members present:** Holly Jones (Chair), Brownie Newman, Robin Cape

**Staff:** Jeff Richardson, Charlotte Caplan, Adria Hardy, Kathy Ivey

**I. Open Meeting & Approve Minutes**

Chair Holly Jones opened the meeting at 3:00 PM. The minutes for the October 9 meeting were approved.

**II. Request from Rod Hubbard**

Mr. Hubbard described his proposed 368-unit condominium development in Fletcher, which he would like to replicate at a site in Asheville. He wanted to make all his units affordable, and to take advantage of the Fee Rebate program, and asked for a modest increase in the price limits, to reflect construction cost increases.

**III. Housing Trust Fund Loan – Skylofts**

Adria Hardy presented a request from Skyloft Asheville, LLC for a \$160,000 HTF construction loan to build four affordable condominium units within a 24 unit development which would be Phase 1 of the proposed Skyloft development on Alexander Drive. The two-bedroom units would sell for \$120,000, significantly below the actual cost of construction. The request was recommended for Council approval on December 12.

**IV. City-Wide Housing Strategy**

Charlotte Caplan outlined current housing problems, including the rapid increase in construction costs and the threats to manufactured housing communities (MHCs). She presented a preliminary strategy for the Committee's review, with several initiatives that staff suggested for further consideration. The Committee discussed changes to the Housing Trust Fund (HTF) in depth and proposed four amendments for Council consideration:

1. Increasing the price limits for the HTF and Fee Rebate programs to \$110,000 for efficiencies, \$120,000 for 1-bedroom, \$135,000 for 2-bedrooms and \$150,000 for 3-bedrooms or more;
2. Increasing the maximum construction loan amount from \$40,000 to \$50,000;
3. Increasing the maximum loan assumable by a low-income buyer from \$25,000 to \$30,000;
4. Requiring an "equity sharing" structure for such loans so that the amount repayable remains constant relative to area housing prices.

The Committee requested more information on options to assist MHCs and the use of potential revenues from a county-wide property transfer tax.

**V. Neighborhood Revitalization Strategy**

Charlotte Caplan described how the City could gain additional flexibility in the use of CDBG funds in the Weed & Seed area by designating it as a CDBG Neighborhood Revitalization Strategy area. The Committee approved taking this proposal to Council on December 12.

#### **VI. Fair Housing Program**

Bob Smith, Asheville Buncombe Community Relations Council Director, presented budget details for the agency's fair housing program. He said that ABCRC needed to hire an additional, Spanish-speaking, investigator to better serve the Latino community and meet HUD's concerns about the effectiveness of the City's fair housing program. He plans to ask for additional CDBG funds for this purpose.

#### **VII. CDBG Spending Targets**

Kathy Ivey explained that all entitlement communities operating on our fiscal year must reduce unspent CDBG funds to no more than 1.5 times the 2006 grant level by April 30. The City is on track to meet this target in 2007, but not by a large margin. Charlotte Caplan described how making a CDBG "float loan" could improve the spending rate, and the Committee agreed to look at specific proposals in January.

#### **VIII. Schedule for preparing the 2007 Action Plan**

Kathy Ivey described the schedule and reminded the Committee that two days in mid-March should be reserved for the interview and allocations process.

#### **IX. Other Business**

Charlotte Caplan said that Mountain Housing Opportunities (MHO) had just submitted a request for an HTF loan to build a home for a low-income employee of Carolina Cornerstone Construction (CCC). This request raised potential conflict of interest issues because of the long-standing business association between MHO and CCC. The Committee declined to recommend the request, but said it would be prepared to consider a request from CCC, not involving MHO. Staff were asked to review the HTF rule concerning open marketing and suggest a revision that would permit employer-assisted housing programs.

The meeting was adjourned at 5:25 PM